

pal office of the obligor shall be located within the United States at the time the investment is made.

(18) Short term discount notes of the Federal National Mortgage Association.

Section 2. This act shall take effect immediately.

APPROVED—The 30th day of November, A. D. 1967.

RAYMOND P. SHAFER

No. 298

AN ACT

SB 653

Amending the act of December 22, 1959 (P. L. 1978), entitled, as amended, "An act providing for and regulating harness racing with pari-mutuel wagering on the results thereof; creating the State Harness Racing Commission as a departmental administrative commission within the Department of Agriculture and defining its powers and duties; providing for the establishment and operation of harness racing plants subject to local option; imposing taxes on revenues of such plants; disposing of all moneys received by the commission and all moneys collected from the taxes; authorizing penalties; and making appropriations," further providing for the disposition of moneys in the State Harness Racing Fund and the Pennsylvania Fair Fund and making an appropriation.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Section 16, act of December 22, 1959 (P. L. 1978), entitled, as amended "An act providing for and regulating harness racing with pari-mutuel wagering on the results thereof; creating the State Harness Racing Commission as a departmental administrative commission within the Department of Agriculture and defining its powers and duties; providing for the establishment and operation of harness racing plants subject to local option; imposing taxes on revenues of such plants; disposing of all moneys received by the commission and all moneys collected from the taxes; authorizing penalties; and making appropriations," amended August 9, 1965 (P. L. 301), is amended to read:

Section 16. Disposition and Appropriation of Funds Accruing under the Provisions of this Act.—(a) All moneys paid into the State Treasury under the provisions of this act shall be paid into a special fund hereby created and to be known as the State Harness Racing Fund.

(b) As much as may be necessary of such moneys is hereby appropriated to pay:

(1) The salaries of employes of the commission employed by or for it in accordance with the provisions of the act of April 9, 1929 (P. L. 177), known as "The Administrative Code of 1929," and its amendments.

(2) The payment of the compensation of employes of the Department of Revenue when used in collecting taxes and penalties imposed by this act.

(2.1) The expenses of the Secretary and the Department of Agriculture incurred in administering their duties under this act, and

(3) To pay all other expenses incurred by the commission in administering this act.

(c) Three-fourths of all moneys, remaining in the State Harness Racing Fund and not required for payments under subsection (b) shall be paid into the General Fund.

(d) The balance of said moneys shall be paid into a fund known as the Pennsylvania Fair Fund. Moneys in the Pennsylvania Fair Fund are hereby appropriated to the Department of Agriculture and shall be distributed by the Secretary of Agriculture, annually, on or before the first day of March beginning with the year [1966] 1968, as follows:

(1) For reimbursement to county agricultural societies, independent agricultural societies and other organizations conducting an annual agricultural fair, as defined hereinafter as follows: [(i) a minimum basic payment of two thousand dollars (\$2,000) for operating expenses including the payment of agricultural premiums plus (ii) fifty percent of money paid for all other agricultural premiums not included in subclause (i) of clause (1) above, with a maximum payment of ten thousand dollars (\$10,000), making possible a maximum total payment of twelve thousand dollars (\$12,000) per organization conducting an annual agricultural fair.

Payments are to be made on applications filed and approved in the calendar year in which a fair is held.

An annual agricultural fair in the intent of this act shall be deemed to be an event or events totaling no less than three days of activities which are designed to contribute to the development of several or many phases of agriculture and/or agribusiness and which employs the four following devices in addition to such others as may be deemed advisable to the holder of the annual fair: (i) exhibits or displays, (ii) educational activities, (iii) demonstrations, and (iv) agricultural or agribusiness contest premiums. Each day of activity considered for a fair shall be comprised of a program or programs of six hours or more in length.] (i) a basic payment for operating expenses, the sum of which may not exceed twelve thousand dollars (\$12,000) for Class A fairs, ten thousand dollars (\$10,000) for Class B fairs, eight

thousand dollars (\$8,000) for Class C fairs, six thousand dollars (\$6,000) for Class D fairs, and two thousand dollars (\$2,000) for Class E fairs. Class A fairs are those which operate on forty acres or more of land and pay ten thousand dollars (\$10,000) or more in premiums to winners of agricultural or agribusiness contests or exhibits; Class B fairs are those operating on thirty acres or more of land and pay seven thousand five hundred dollars (\$7,500) to nine thousand nine hundred ninety-nine dollars (\$9,999) in premiums to winners of agricultural or agribusiness contests or exhibits; Class C fairs are those operating on twenty acres or more and pay five thousand dollars (\$5,000) to seven thousand four hundred ninety-nine dollars (\$7,499) in premiums to winners of agricultural or agribusiness contests or exhibits; Class D fairs are those operating on ten or more acres and pay two thousand five hundred dollars (\$2,500) to four thousand nine hundred ninety-nine dollars (\$4,999) in premiums to winners of agricultural or agribusiness contests or exhibits; and Class E fairs are those operating on less than ten acres and pay less than two thousand five hundred dollars (\$2,500) in premiums to winners of agricultural or agribusiness contests or exhibits. This basic payment may also be used for the premium awards if expenses of the fair do not total as much as the maximum amount which can be granted in the basic payment, plus (ii) fifty percent of money paid for all other agricultural premiums not included in subclause (i) with a maximum payment for premiums not to exceed ten thousand dollars (\$10,000).

To be eligible for payment from the Pennsylvania Fair Fund, applications must be filed and approved during the calendar year in which an activity is held.

An annual agricultural fair in the intent of this act shall be deemed to be an event or events totaling no less than three days of activities for Class D and E fairs, no less than five days of activities for Class A, B and C fairs, with each day of activities for all classes consisting

of a program or programs of six hours or more in length and all activities so designed as to contribute to the development of several or many phases of agriculture and/or agribusiness and with each fair required to employ the following devices or meet the following requirements: (a) exhibit agricultural or agribusiness products, materials and equipment; (b) conduct agricultural or agribusiness educational activities and demonstrations; (c) award premiums to agricultural or agribusiness contest and exhibit winners with a top award for first place and proportionate awards to runners-up adjudged by position following the winner but not to exceed ten in number; (d) provides proper first aid through medical personnel and adequate sanitary facilities which meet State and local requirements; (e) provide supervision and control over all activities by an officially appointed committee or a board of directors of not less than five persons; (f) file all reports, forms and applications for Pennsylvania Fair Funds and maintains records as required by the rules and regulations drafted and approved by the Secretary of Agriculture; and (g) provides that at least twenty-five percent of the events for which agricultural or agribusiness premiums are paid must be "open class" events.

No society hereafter incorporated or recognized by a county government or the Commonwealth shall be entitled to the benefits of this act until such society shall have conducted [two] three consecutive annual exhibitions of the character designated in the above clause [(1)] of this subsection and such society upon its inception shall file with the Secretary of Agriculture a declaration of its intention to apply for said premium money for its [third] fourth year. Such society must also file its report during its first [two] three years the same as any other eligible society. This clause will not apply to an eligible society heretofore or hereafter incorporated, which shall resume the holding of annual exhibitions of the character designated in [this] the above clause [(1)] of this subsection, which exhibitions have been for a period of not more than two years temporarily discontinued.

(2) For reimbursement for each county agricultural society and

each independent agricultural society conducting harness horse racing during its annual fair other than races for two and three-year-old colts and fillies which races are provided for in clause (3) below, an amount of money equal to that used during their [previous year's] annual fair as purse money for harness horse racing, track and stable maintenance, starting gate rental and the cost of all harness horse racing officials required during their annual fair, but not more than [five thousand dollars (\$5,000)] six thousand dollars (\$6,000).

(3) For reimbursement for each county agricultural society and independent agricultural society conducting races for two and three-year-old colts and fillies, at their annual fair on which a maximum of seven hundred dollars (\$700) was paid for each such race but not more than fifty-six hundred dollars (\$5,600) annually. Entrance fees collected for each such race shall not be included when computing the amount distributed by the Secretary of Agriculture under this subsection.

(3.1) For reimbursement to State-wide agricultural organizations who contribute to the development of many phases of agriculture and/or agribusiness as provided under the rules and regulations drafted and approved by the Secretary of Agriculture: (i) a maximum payment of two thousand dollars (\$2,000) for operating expenses including the payment of agricultural premiums plus; (ii) fifty percent of money paid for all other agricultural premiums not included in subclause (i). In no instance can this total amount exceed twelve thousand dollars (\$12,000). To be eligible for payment from the Pennsylvania Fair Fund, applications must be filed and approved during the calendar year in which an activity is held.

(4) To county-wide or State-wide 4-H and FFA or combined FFA and FHA units of boys and girls under twenty-one years of age, [the sum of] a basic payment up to two thousand dollars (\$2,000) annually, to be used for the general operations of such units in agriculture or agribusiness programs, provided that an organization whose [numbers] members consist entirely of minors must apply through and be represented by an adult advisory group and both the organization and the advisory group must be recognized by their respective county governments or by the Commonwealth of Pennsylvania, and further provided that each county-wide or State-wide 4-H and FFA or combined FFA and FHA unit be required to report on its activities and justify these activities as events which contribute to the advance-

ment of agriculture or agribusiness. Such reports shall also include a record of expenses incurred in the conduct of these qualifying activities. The amount awarded to each such youth group cannot exceed the amount of expenses reported for the conduct of activities.

In addition to basic payments each participating 4-H, FFA, or combined FFA and FHA units whose membership exceeds one thousand members will be eligible for additional payments at the rate of two dollars (\$2) per member for each member in excess of one thousand.

(e) In the event there is in the Pennsylvania Fair Fund an excess over the amount required to make payments specified in subsection (d) above, such excess shall be distributed as follows: [first, ten percent of the remaining balance, or fifty thousand dollars (\$50,000)] ten percent of such excess or seventy-five thousand dollars (\$75,000), whichever amount is greater to be used by the Department of Agriculture for marketing and consumer service programs; and [second, fifty percent of the remaining balance ¹ or two hundred fifty thousand dollars (\$250,000)] fifty percent of such excess or four hundred thousand dollars (\$400,000), whichever amount is greater for agricultural research projects, as determined by the Secretary of Agriculture, from the recommendations submitted by a committee appointed by him, such committee to include in its membership the dean of the college of agriculture at the Pennsylvania State University and the dean of the school of Veterinary medicine of the University of Pennsylvania.

[Any balance remaining in the fund shall be returned to the General Fund.] In the event the amount of money in the Pennsylvania Fair Fund is less than is required to make payments specified in subsection (d) above, the amount granted to each recipient shall be reduced proportionately.

(e.1) In the event there is in the Pennsylvania Fair Fund an excess over the amounts required to make payment specified in subsections (d) and (e), such excess shall be disbursed by a committee consisting of the Secretary of Agriculture, the chairman of the House Agriculture and Dairy Industries Committee, the chairman of the Senate Agriculture Committee and four additional members to be appointed by the Secretary of Agriculture, two of which shall come from fairs

¹ "of" in original.

and two of which shall come from the Department of Agriculture as follows: eighty percent of such excess shall be disbursed on a matching fund basis to fairs in amounts not to exceed fifteen thousand dollars (\$15,000) to any one fair for the purpose of improving buildings and grounds, of adding more land, or constructing new facilities for the proper conduct of the fairs except that a fair shall not be eligible for funds hereunder more than once every three years; such disbursements to be made by the Department of Agriculture according to rules and regulations drafted by the Secretary of Agriculture and approved by the committee. Any balance remaining in the fund shall be returned to the General Fund.

(f) The Secretary of Agriculture shall provide forms for application for the distribution of the funds to county and independent agricultural societies and to youth groups [and] with the exception of disbursements made under subsection (e.1). The Secretary of Agriculture shall prescribe such rules and regulations as he may deem necessary to carry out the provisions of this section and may make such investigations [as he may deem] necessary to determine the validity of any claims and applications for distribution of moneys hereunder.

Section 2. This act shall take effect immediately and shall apply to all eligible fairs taking place during 1968 and thereafter.

APPROVED—The 30th day of November, A. D. 1967.

RAYMOND P. SHAFER

No. 299

AN ACT

SB 918

Amending the act of July 28, 1953 (P. L. 723), entitled "An act relating to counties of the second class; amending, revising, consolidating and changing the laws relating thereto," authorizing the county commissioners to establish by ordinance a merit system for the selection, tenure, promotion and discharge of certain employees.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows: